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**BY-LAWS OF THE DUBAI  
DIAMOND EXCHANGE**

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Schedule 1 – Mediation Rules

## **1 Name and Address**

- 1.1 The name of the exchange shall be the Dubai Diamond Exchange (**DDE**).
- 1.2 The principal office of the DDE shall be in Almas Tower at the DMCC in the Emirate of Dubai, UAE.
- 1.3 The DDE is established by the DMCC as a trading platform and has no separate legal personality to the DMCC.
- 1.4 The DMCCA, at its sole discretion, may incorporate the DDE as a legal entity, and open branches and representative offices of the DDE, subject to the approval of the Board (as defined below) and after obtaining any necessary approvals from the relevant authorities in the Emirate of Dubai.

## **2 Definitions and Interpretation**

- 2.1 In these By-Laws the following words, phrases and expressions shall have the following meaning:

**Act of Misconduct** has the meaning set out in Article 20.1

**Affiliated Industry Body** means an affiliated industry association such as the Dubai Gold and Jewellery Group or any other industry association recognized and approved by the Board

**Affiliated Industry Body Member** means a Member holding Affiliated Industry Body Membership

**Affiliated Industry Body Membership** means the type of membership to the DDE granted to an Applicant who is a non-DMCC Company that is a member of an Affiliated Industry Body

**Affiliates** means in relation to a body corporate:

- (a) any director, officer or employee of the body corporate;
- (b) any subsidiary or parent undertaking or any other subsidiary undertaking of that parent undertaking; or
- (c) any director, officer or employee of any party identified in (b) above

**AML Laws** means all anti-money laws, regulations and guidelines (as amended from time to time) that are applicable to a Member including but not limited to the following:

- (a) Federal Decree-Law No. (20) of 2018 on Anti-Money Laundering and Combatting the Financing of Terrorism and Financing of Illegal Organizations;
- (b) Cabinet Decision No. (10) of 2019 on the Executive Regulation of Federal Decree-Law No. (20) of 2018 on Anti-Money Laundering and Combatting the Financing of Terrorism and Financing of Illegal Organizations;
- (c) Cabinet Decision No. (58) of 2020 Regulating the Beneficiary Owner Procedure;

- (d) Cabinet Decision No. (74) of 2020 Regarding Terrorism Lists Regulation and Implementation of UN Security Council Regulations on the Suppression and Combating of Terrorism, Terrorists Financing & Proliferation of Weapons of Mass Destruction, and Related Resolutions; and
- (e) the DMCC AML/CFT Guidelines for Financial Institutions and Designated Non-Financial Businesses and Professions

**AML Procedures** means anti-money laundering and financial crime systems, controls and procedures including but not limited to all know your customer, know your supplier and combatting the financing of terrorism measures in compliance with AML Laws

**Applicant** means a body corporate applying for Membership

**Application Form** means the DDE application form which an Applicant must complete as part of its application for Membership

**Arbitration** means an arbitration conducted pursuant to Articles 21.13 to 21.16

**Authorised Representative** means an individual who has been nominated and authorised by the Member to act on its behalf and notified as such to the DDE by submitting the Authorised Representative Notification

**Authorised Representative Notification** means the authorised representative notification form as amended from time to time by the DDE

**Board** means the board of the DDE as more particularly described in Article 4

**Board Meeting** means a meeting of the Board as more particularly described in Articles 4.8 to 4.18

**Board Representative** has the meaning set out in Article 4.2

**Board Reserved Matter** means any of the following:

- (a) amending the By-Laws;
- (b) amending the DDE Code of Business Conduct;
- (c) changing the name of the DDE; and/or
- (d) dissolving or otherwise altering the form of the DDE

**Business** means the platform offering access to a trusted legal framework for all aspects of diamond trade in the UAE

**Business Day** means any day that is not a Friday, Saturday or a declared public holiday in the Emirate of Dubai

**Chair** means the chair of the Board

**Change of Ownership** means any change in the legal or beneficial interest of the shares or equity interest of a Member

**CIBJO** means Confédération International de la Bijouterie, Joaillerie, Orfèvrerie des Diamants, Perles et Pierres, the World Jewellery Confederation

**Complainant** means a DDE Member who submits a Notification of Dispute

**Conflict of Interest** has the meaning set out in Article 19.6

**DDE Code of Business Conduct** means the code of conduct which sets out the standards of behaviour expected of Members, as approved by the Board from time to time and uploaded to the website of the DDE

**DDE Dispute Resolution Committee** means the committee appointed by the Board pursuant to Article 19

**Dealings** means any dealing in diamonds, precious stones and related jewellery industries by a Member

**Determination** has the meaning set out in Article 20.15

**Disciplinary Notice** has the meaning set out in Article 20.5

**Dispute** means all disputes in relation to the Trade which involve a Member or occur between Members

**Dispute Resolution Processes** means any of the dispute resolution processes set out in these By-Laws, including Arbitration and Mediation

**DMCCA** means Dubai Multi Commodities Centre Authority, governed by Law No. (3) of 2020 issued in the Emirate of Dubai being the authority that governs and regulates the DMCC

**DMCC** means Dubai Multi Commodities Centre, governed by Law No. (3) of 2020 issued in the Emirate of Dubai

**DMCC Company** means a registered company maintaining a valid DMCC License which is authorised to operate within the DMCC

**DMCC License** means a valid license held by a DMCC Company which permits it to operate in the DMCC

**DNFBP** means a designated non-financial business and professional

**Intellectual Property Rights** means patents, utility models, rights to inventions, copyright and neighbouring and related rights, moral rights, trade marks, service marks, trade, brand and business names, domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off and unfair competition, rights in designs, rights in computer software (including source code), database rights, semi-conductor topography rights, plant variety rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets), and all other intellectual property rights and all similar or equivalent rights or forms of protection subsisting at any time in any part of the world, in each case whether registered or unregistered and including all applications for and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights

**International Dispute** means a dispute that is not a Local Dispute

**Kimberley Process** means the international certification scheme that regulates trade in Rough Diamonds in order to prevent trade in conflict diamonds

**KP Certificate** means a certificate issued in a prescribed form which is resistant to abuse or forgery relating to any Trade of Rough Diamonds to certify or indicate that the shipment is "conflict free" and meets the requirements of the Kimberley Process

**Local Disputes** means a dispute involving only:

- (a) individuals legally resident in the UAE; and/or
- (b) companies validly licensed and registered in the UAE in accordance with the laws of the UAE

**Mediation** means a mediation carried out in accordance with Articles 21.8 to 21.10

**Mediation Rules** means the rules governing a Mediation carried out in accordance with these By-Laws which are contained at Schedule 1

**Member** means a body corporate which has been admitted as a member of the DDE

**Membership** means the classes of membership of the DDE set out in Article 7

**Membership Fee** means the annual fees payable for membership by a Member, as determined by the Board from time to time, and published on the website of the DMCC

**Non-DMCC Membership** means the type of membership to the DDE granted to an Applicant who is:

- (a) a Non-DMCC Company who is licensed to undertake activities which are substantially similar to one of the Relevant Licensed Activities; and
- (b) not a member of an Affiliated Industry Body

**Non-DMCC Company** means a body corporate which is not a DMCC Company

**Notification of Dispute** has the meaning set out in Article 21.2

**Penalties** has the meaning set out in Article 20.16

**Penalties Decision** has the meaning set out in Article 20.17

**Premises** means the premises and facilities of the DDE

**Prohibited Practices** means any or all of the following:

- (a) manipulating or attempting to manipulate or otherwise abusing or attempting to abuse the market;
- (b) creating or attempting to create an artificial market or a disorderly market whether intentionally or unintentionally;

- (c) entering into or attempting to enter into a transaction or series of transactions designed to create an artificial market whereby prices and turnover do not truly reflect the business transacted;
- (d) undertaking or attempting to undertake wash or bogus transactions;
- (e) demonstrating or attempting to demonstrate that trading activity has taken place when it has not;
- (f) misleading or attempting to mislead DDE staff as to the nature of any trading activity, orders, transactions or Dealings;
- (g) trading, placing orders to trade or encouraging any other person to trade in the same direction (purchase or sale) as a Member order with a view to realising a profit or avoiding a loss, pursuant to any price movement brought about by such Member order;
- (h) manipulating or attempting to manipulate any prices or indices that may be set or published by the DDE; and/or
- (i) undertaking, attempting to undertake, procuring that another person undertakes or attempting to procure that another person undertakes any behaviour that is contrary to applicable law or regulation preventing market abuse

**Relevant Licensed Activity** means the licensed activity of a DMCC Company which is (i) jewellery trading, pearls and precious stones trading and/or (ii) precious jewellery manufacturing and/or (iii) precious stones cutting and polishing

**Rough Diamonds** means unworked or simply sawn or split or trimmed diamonds which fall within the Relevant Harmonized Commodity Description and Coding Systems No. (7102-10), (7102-21), (7102-31) as described in the Kimberley Process Core Document (<https://www.kimberleyprocess.com/en/kpcs-core-document>)

**Rough Diamond Stock Declaration Report** means an annual audit report prepared by a DMCC approved audit company to reconcile all Rough Diamonds imported by the Member, all local purchases and sales and all exports of Rough Diamonds, together with all supporting documentation and KP Certificates

**Sanctions** means any applicable law which imposes, administers or enforces sanction, trade embargo, boycott, foreign trade control, export control, non-proliferation, anti-terrorism or similar restrictions on any business with a sanctioned jurisdiction, certain types of business or activity, or specified persons from time to time by: (i) the UAE, (ii) the European Union, (iii) the United Kingdom, (iv) the United States of America, (v) the United Nations Security Council or (vi) any of their respective successors

**Secretary** means the secretary of the DDE as more particularly described in Article 5

**Trade** means trade in diamonds, precious stones and related jewellery industries across the supply chain

**Trade Marks** means any trade mark belonging to the DMCC or used by the DDE or which the DMCC may register or apply to register from time to time

**Type 1 Member** means a Member holding Type 1 Membership

**Type 1 Membership** means the type of membership to the DDE granted to an Applicant who is a DMCC Company whose licensed activity includes one or more Relevant Licensed Activity

**Type 2 Membership** means the type of membership to the DDE granted to an Applicant who is a DMCC Company whose licensed activity does not include the Relevant Licensed Activity

**UAE** means the United Arab Emirates

**UAE KP Membership** means Kimberley Process membership in the UAE, as regulated by the UAE KP Office

**UAE KP Office** means the United Arab Emirates Kimberley Process Office, the body responsible for regulating the entry and exit of all Rough Diamonds to the UAE

**WDC** means the World Diamond Council, an organisation representing the entire diamond value chain

**WDC SoW** means the World Diamond Council System of Warranties, the system of industry self-regulations created to support and strengthen the Kimberley Process

**WDC SoW Self-Assessment** means the annual self-assessment of the WDC SoW to be completed by organisations operating in the diamond sector

**WFDB** means the World Federation of Diamond Bourses, an organisation established to provide bourses trading in rough and polished diamonds with a common set of trading principles, as defined by the WFDB By-Laws and inner workings

**WFDB By-Laws** means the by-laws of the WFDB as amended from time to time

**WFDB International Advisers Panel** means those Members who have volunteered (and who have been approved by the DDE Dispute Resolution Committee, in its absolute discretion) to assist the WFDB in any investigation, mediation or arbitration conducted under the WFDB By-Laws

**Withdrawal Notice** has the meaning set out in Article 17.1

2.2 In these By-Laws, unless a contrary intention is expressly stated:

- (a) a word that suggests one gender includes all genders;
- (b) a singular word includes the plural and vice versa;
- (c) an undertaking (**A**) is a subsidiary undertaking of another undertaking (**B**), its parent, if:
  - (i) B (whether acting alone or under an agreement with one or more other persons):
    - (A) holds, whether legally or beneficially, a majority of the issued shares or other participating interests in A other than by way of security only;
    - (B) has the power, directly or indirectly, to exercise, or control the exercise of, a majority of the voting rights in A;



- (C) has the right to appoint or remove a majority of A's directors or managers;
  - (D) has the right to exercise dominant influence over it by virtue of provisions contained in A's constitutional documents or any contractual arrangement; or
  - (E) has a participating interest in it and actually exercises a dominant influence over it or both A and B are managed on a unified basis; or
- (ii) A is a subsidiary undertaking of an undertaking which is itself, directly or indirectly, a subsidiary undertaking of B; and
- (d) **undertaking** means any person other than a natural person carrying on a trade or business, with or without a view to profit, in any case wherever incorporated or established;
- (e) a requirement to give notice shall be construed as a notice in writing and shall include electronic communications in accordance with Article 25; and
- (f) references to Articles are to Articles in these By-Laws.

### **3 DDE Objectives and Powers**

#### 3.1 The objectives of the DDE are to:

- (a) promote the interests and development of the Trade in the UAE and overseas;
- (b) encourage and maintain just and equitable principles within the Trade amongst Members;
- (c) prevent unfair trade practices in the Trade amongst Members;
- (d) disseminate accurate and reliable information in relation to the Trade amongst Members;
- (e) cooperate at the request, and with the consent of DMCCA, with governmental agencies and other parties within the UAE and overseas in the establishment and maintenance of institutional arrangements conducive to the ethical and economic welfare of the Trade;
- (f) provide a dispute resolution service to settle Disputes;
- (g) provide for a disciplinary investigation process and appropriate disciplinary penalties to be taken against Members;
- (h) provide, regulate and maintain suitable premises for the DDE in the Emirate of Dubai; and
- (i) ensure compliance of the DDE with the rules and regulations of the WFDB, the WDC and Affiliated Industry Bodies, where applicable.

- 3.2 The DDE has vested in it all the powers required to achieve its objectives, including without limitation the power to:
- (a) provide services to Members and impose any fees in relation to those services including, for the avoidance of doubt, the Membership Fees;
  - (b) form associations with any other bourse or Affiliated Industry Body, including the WFDB, and to agree that Members are required to comply with the rules and regulations of the WFDB, and any such other body, as required by the DDE from time to time;
  - (c) issue any further rules, regulations and codes of conduct which govern the DDE; and
  - (d) carry out any other function as may be deemed necessary in order to achieve its objectives.

3.3 The objectives of Members are to:

- (a) ensure compliance of these By-Laws at all times and compliance with the rules and regulations of the WFDB, the WDC and Affiliated Industry Bodies, where applicable;
- (b) conduct Dealings in a proper and orderly manner; and
- (c) promote the interests and development of the Trade in the UAE and overseas.

#### **4 Board**

4.1 The DDE shall be advised by the Board who is responsible for setting the strategy of the Business.

##### ***Appointment and removal of Board Representatives***

- 4.2 The Board shall be comprised of a minimum of six (6) and a maximum of twelve (12) board representatives (each a **Board Representative**), one (1) of whom shall be appointed as the Chair. The Chair may, in its sole discretion, delegate their powers as Chair to any other Board Representative, at any time, provided such delegation is documented in writing and notified to the DMCCA.
- 4.3 The Board shall be appointed by the DMCCA acting in its sole discretion and each Board Representative's appointment shall be effected by an instrument in writing signed by the relevant Board Representative and an authorised signatory from the DMCCA.
- 4.4 The DMCCA has the sole right to appoint and remove the Chair at any time.
- 4.5 Each Board Representative shall assume office the Business Day after their appointment and shall remain appointed until the earlier of:
- (a) resignation by the Board Representative; and
  - (b) removal of the Board Representative in accordance with Articles 4.6 and 4.7.
- 4.6 The DMCCA shall be entitled to remove any Board Representative at any time with immediate effect. Such removal shall be effected by an instrument in writing signed by a representative of the DMCCA and issued to the relevant Board Representative.

- 4.7 A person will cease to be a Board Representative at the sole direction of the DMCCA and with immediate effect, including but not limited to the occurrence of any of the following:
- (a) a bankruptcy order is made against that person;
  - (b) a composition is made with that person's creditors generally in satisfaction of that person's debts;
  - (c) a registered medical practitioner who is treating that person gives a written opinion to the DMCCA stating that that person has become physically or mentally incapable of acting as a Board Representative and may remain so for more than three (3) months; and/or
  - (d) notification is received by the DMCCA from the Board Representative that the Board Representative is resigning, and such resignation has taken effect in accordance with its terms.

***Board meetings, quorum and voting***

- 4.8 Board Meetings shall be held at least quarterly and may be called at any time by the Chair or upon written request by a majority of the Board Representatives to the Secretary by giving five (5) Business Days' written notice to each Board Representative (or such shorter period of notice as agreed by all Board Representatives acting unanimously).
- 4.9 Notice of any Board Meeting must include:
- (a) the proposed date and time;
  - (b) where the Board Meeting is to take place;
  - (c) if the Board Meeting is anticipating that Board Representatives participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the Board Meeting; and
  - (d) an agenda specifying in reasonable details the matters to be raised at the Board Meeting.
- 4.10 Board Meetings can be held in person or by telephone or other electronic means.
- 4.11 No proposal is to be voted on at a Board Meeting unless a quorum is present, except a proposal to call another Board Meeting.
- 4.12 The quorum for a Board Meeting may be fixed from time to time by a decision of the Board but it must never be less than three (3) Board Representatives and unless otherwise fixed, it is three (3).
- 4.13 If within thirty (30) minutes from the time appointed for the Board Meeting a quorum is not present, or if during a Board Meeting, a quorum ceases to be present then the Board Meeting shall be dissolved and adjourned for three (3) Business Days at the same time and place.
- 4.14 All decisions of the Board shall be decided by a simple majority decision of the Board Representatives entitled to vote at a Board Meeting unless such matter is a Board Reserved

Matter. If the number of votes for and against a proposal are equal, the Chair shall have a casting vote.

- 4.15 Votes shall be cast by any method as determined by the Chair or the Secretary and notified to the Board at the start of the Board Meeting.
- 4.16 All decisions relating to a Board Reserved Matter shall be determined by a decision of not less than seventy-five per cent. (75%) of the Board Representatives entitled to vote at a Board Meeting.
- 4.17 Any resolution in writing signed by not less than seventy-five per cent. (75%) of the Board Representatives entitled to receive notice of a Board Meeting shall be valid and effective as if it had been passed at a Board Meeting duly convened and held. The resolution may consist of several documents in the like form each signed by one or more Board Representatives.
- 4.18 Each Board Representative must declare any conflict or potential conflict of interest to the Board as soon as they are aware of such conflict or potential conflict arising, and may not participate in any part of a Board Meeting, or vote in any matter, which relates to the subject matter of the conflict or potential conflict of interest.

#### ***Powers of the Board***

- 4.19 The Board has the power to undertake all activities for the DDE including, but not limited to:
- (a) appoint committees and advisory councils on particular subjects, selected either from the Board, the DDE, Members or external industry experts;
  - (b) cooperate, at the sole request of DMCCA, with governmental agencies and other parties in all matters relating to the Trade;
  - (c) impose disciplinary penalties on any Member, by way of the DDE Dispute Resolution Committee;
  - (d) adopt rules and regulations, consistent with these By-Laws for the management and conduct of the DDE;
  - (e) delegate any of its powers to any Board Representative, the Secretary, any employee of DMCCA or to any committee or advisory council appointed in accordance with Article 4.19(a);
  - (f) impose fees payable by Members as determined and collected by the DMCC;
  - (g) devise and carry out such other measures as it may deem necessary to promote the objectives of the DDE or to best protect the interests of Members;
  - (h) approve or amend the DDE Code of Business Conduct as a Board Reserved Matter;
  - (i) approve the DDE strategy and membership in relation to international industry bodies, including but not limited to the WDC, WFDB and CIBJO; and
  - (j) approve affiliation or association of the DDE with Affiliated Industry Bodies.

4.20 No Board Representative nor the Secretary in the due and correct performance of their official duties shall be held liable for any act or omission by the Board or the Secretary (as the case may be), unless the act or omission is proved to have been fraudulent or involved wilful misconduct.

#### ***Board remuneration***

4.21 A Board Representative is not entitled to any remuneration for their services to the Board.

4.22 The DMCCA may, at its sole discretion, agree to pay for a Board Representative's travel and accommodation expenses on a case-by-case basis.

### **5 Secretary**

5.1 The Secretary shall be appointed by the DMCCA as a non-voting member of the Board. The Secretary shall not be calculated for the purposes of the minimum and maximum number of Board Representatives outlined in Article 4.2.

5.2 The Secretary has the following responsibilities:

- (a) to manage the day-to-day operations of the DDE;
- (b) to record all votes and minutes of Board Meetings in an appropriate manner;
- (c) to provide proper notice for all Board Meetings in accordance with Article 4.8;
- (d) to develop and implement the DDE strategy subject to the approval of the Board;
- (e) to issue all notices to Members;
- (f) to carry out the general secretarial work of the DDE; and
- (g) to represent the DDE in respect of international industry associations and Affiliated Industry Bodies and report back to the Board on such activities.

5.3 The Secretary shall circulate a copy of the minutes documenting the business transacted at a Board Meeting to each Board Representative within ten (10) Business Days following a Board Meeting.

5.4 The Secretary shall be authorised to delegate any or all of its responsibilities to an employee of the DMCCA by instrument in writing.

### **6 Committees**

6.1 The Board has the power to delegate any of its powers to a committee on such terms of reference as it may determine from time to time. Such committees shall be constituted by simple majority at a Board Meeting.

6.2 Committee members shall be appointed by the Board and shall comprise of individuals who operate in the Trade including employees or officers of the DDE or the DMCC, Board Representatives, representatives of Members or external industry experts as the Board may select.

6.3 No committee member shall, in the due and correct performance of their official duties, be held liable for any act or omission by a committee, unless the act or omission is proved to have been fraudulent or involved wilful misconduct.

## 7 Classes of Membership

7.1 There are four types of corporate membership available:

Type of Membership	Description
Type 1 Membership	Automatic membership for DMCC Companies that have a Relevant Licensed Activity, subject to Article 8.2
Type 2 Membership	Annual membership for DMCC Companies that do not undertake a Relevant Licensed Activity
Affiliated Industry Body Membership	Annual membership for Affiliated Industry Body Members
Non-DMCC Membership	Annual membership for Non-DMCC Companies

7.2 The DDE may amend or alter any class of Membership or introduce a new class of Membership at any time by notifying the Members in writing, by email or by publication of the change on the website of the DDE.

## 8 Admission to Membership

8.1 To be eligible for Membership, an Applicant must satisfy the eligibility criteria set out in this Article 8.

### 8.2 Type 1 Membership

- (a) An Applicant shall be eligible for Type 1 Membership if it is a DMCC Company which carries out a Relevant Licensed Activity.
- (b) Subject to Article 8.2(a), an Applicant shall automatically be granted Type 1 Membership upon payment of the Membership Fees and provided the Applicant meets the AML Procedures to the satisfaction of the DDE or the DMCC.

### 8.3 Type 2 Membership

- (a) An Applicant shall be eligible for Type 2 Membership if it is a DMCC Company and is not eligible for Type 1 Membership.
- (b) In order to apply for Type 2 Membership, an Applicant must submit a duly completed Application Form together with all supporting documents that are set out in the Application Form or as requested by the DDE or the DMCC.

- (c) If the DDE accepts an Applicant's Application Form, it shall become a Member upon payment of the Membership Fee and provided the Applicant meets the AML Procedures to the satisfaction of the DDE or the DMCC.

#### **8.4 Affiliated Industry Body Membership**

- (a) An Applicant shall be eligible for Affiliated Industry Body Membership if it is an Affiliated Industry Body Member.
- (b) In order to apply for Affiliated Industry Body Membership, an Applicant must submit a duly completed Application Form together with all supporting documents that are set out in the Application Form or as requested by the DDE or the DMCC.
- (c) If the DDE accepts an Applicant's Application Form, it shall become a Member upon payment of the Membership Fee and provided the Applicant meets the AML Procedures to the satisfaction of the DDE or the DMCC.

#### **8.5 Non-DMCC Membership**

- (a) An Applicant shall be eligible for Non-DMCC Membership if it is a Non-DMCC Company.
- (b) In order to apply for Non-DMCC Membership, an Applicant must submit a duly completed Application Form together with all supporting documents that are set out in the Application Form or as requested by the DDE or the DMCC.
- (c) If the DDE accepts an Applicant's Application Form, it shall become a Member upon payment of the Membership Fee and provided the Applicant meets the AML Procedures to the satisfaction of the DDE or the DMCC.

#### **8.6 Accuracy of Information**

Upon admission to the DDE, each Member warrants to the DDE that the information contained in its Application Form is true and accurate in all respects and is not misleading.

### **9 Ongoing Compliance Requirements**

- (a) Any Member holding UAE KP Membership must comply with the requirements of the UAE KP Office at all times.
- (b) Any Member who is active in the Trade of Rough Diamonds must submit an audited Rough Diamond Stock Declaration Report to the UAE KP Office as part of their UAE KP annual registration process.
- (c) All Members must complete the WDC SoW Self-Assessment and submit this to the DDE before the expiry date of their Membership or when applying for new Membership.
- (d) The DDE and/or the DMCC may at any time without notice and at its own discretion conduct checks or investigations on a Member to verify that the Member has complied with the requirements set out in this Article 9. The relevant Member must comply in full with the requests of the DDE and/or the DMCC in connection with such checks and investigations and promptly provide all information as may be requested by the DDE and/or the DMCC.

## 10 AML Procedures

An Applicant must comply with AML Laws and have appropriate AML Procedures in place to the satisfaction of the DDE and/or the DMCC. The DDE and/or the DMCC reserves the right to request from any Applicant or Member at any time:

- (a) detailed information of an Applicant or Member's AML Procedures; and/or
- (b) a reasoned legal opinion from a reputable law firm that the AML Procedures are appropriate to address any applicable legal or regulatory requirements,

in such format and addressing such concerns as the DDE and/or the DMCC may specify.

## 11 Refusal of Application

11.1 The DDE may refuse at its sole discretion any application for Membership if, in the DDE's opinion:

- (a) the Applicant would be incapable of complying with its obligations as a Member under these By-Laws;
- (b) the Applicant is subject to any legal or regulatory requirement or restriction that may prevent the Applicant from complying fully with any obligation it may have as a Member under these By-Laws;
- (c) it suspects the Applicant is in breach of AML Laws;
- (d) the admission of the Applicant would be likely to expose other Members and/or the DDE to a materially increased level of risk than is generally presented by other Members;
- (e) the Applicant (including any of its Affiliates) has been suspended or expelled from the WFDB or is subject to any form of Sanctions; or
- (f) the admission of an Applicant would expose the DDE or any other Member to any risk of infringement of any applicable law, including relevant Sanctions or reputational risk.

## 12 Members' Rights

12.1 Members are entitled to:

- (a) enter the trading floor of the DDE for the purpose of interacting or Dealing with other Members when the trading floor is available. For the avoidance of doubt, Members are not automatically entitled to use the trading floor and will not be able to use the trading floor when it has been hired for a private event;
- (b) organise events, including but not limited to tenders, auctions and direct sales on the Premises; and
- (c) enjoy other benefits and privileges as determined by the Board from time to time such as receiving notifications for sales events, tenders and conferences, promotional activities and networking sessions.



### **13 Members' Obligations**

13.1 Each Member shall:

- (a) specify at least one (1) Authorised Representative;
- (b) in the case of a Member who is a DNFBP, appoint a compliance officer in accordance with AML Laws;
- (c) conduct all Dealings in accordance with all applicable laws and in accordance with the highest standards of business ethics and the DDE Code of Business Conduct;
- (d) document all Dealings between Members in writing and in compliance with the WDC SoW;
- (e) comply with the provisions of these By-Laws and DDE Code of Business Conduct, as amended from time to time and any direction of the DDE or the Board as notified to the Member from time to time;
- (f) fully comply with and adhere to the Kimberley Process;
- (g) pay all monies due and payable to the DDE (including but not limited to the Membership Fee); and
- (h) comply with the policies and procedures mandated by international diamond industry associations (including but not limited to the Kimberley Process).

### **14 Renewal of Membership**

14.1 Type 1 Membership shall automatically renew on an annual basis upon renewal of the Member's DMCC License. If a Member's DMCC License expires, the Type 1 Membership shall automatically deactivate until the DMCC License has been renewed.

14.2 All other Memberships (excluding Type 1 Membership) shall automatically expire after twelve (12) months and such Members must reapply to the DDE to renew their Membership for a subsequent year.

### **15 Change in Membership**

15.1 Membership does not automatically change if that Member can no longer satisfy the requirements for its original Membership but is able to satisfy the eligibility criteria for a different membership class.

15.2 A Member (other than a Type 1 Member) must immediately notify the DDE if its eligibility for Membership changes for any reason. The DDE reserves the right to terminate or suspend a Member's Membership if the DDE has reasonable grounds for considering that the Member is no longer eligible for any class of Membership.

### **16 Change in Ownership of a Member**

16.1 A Member shall notify the DDE within five (5) Business Days if there is a Change of Ownership. Such notice shall be in writing and include the identity of the person or body corporate holding, or having a beneficial interest in the shares or equity interest of the Member.

16.2 Upon receipt by the DDE of a notice in accordance with Article 16.1, the DDE may require the Member to provide additional information in relation to the Change of Ownership and the Member shall promptly provide such information as requested by the DDE in writing. If the DDE is not satisfied that the Member continues to satisfy the criteria for Membership, it may, at its absolute discretion, suspend or terminate the rights of the Member with immediate effect.

## 17 **Withdrawal from Membership**

17.1 A Member may at any time withdraw its Membership provided it has delivered a notice of withdrawal to the Secretary (**Withdrawal Notice**). The Withdrawal Notice must be in writing and state the reason for withdrawing from Membership. A Type 1 Member shall only be permitted to withdraw its Membership from the DDE if it terminates its DMCC License at the same time.

17.2 Subject to Articles 17.3 and 17.4, the Member's withdrawal shall take effect thirty (30) days following receipt of the Withdrawal Notice and all rights and privileges of being a Member shall be cancelled.

17.3 Upon receipt of a Withdrawal Notice, the DDE may request further information from the Member in respect of its proposed withdrawal and consider whether to:

- (a) accept the withdrawal;
- (b) postpone the effective date of withdrawal; and/or
- (c) take any actions or measures against the Member before the effective date of withdrawal.

17.4 The DDE may, in its absolute discretion, refuse to accept a Withdrawal Notice given by a Member or postpone the effective date if it considers it necessary for the protection of other Members, or otherwise in the interests of the DDE. A Member who ceases to be a Member shall remain subject to the By-Laws and to the jurisdiction of the DDE for the longer of:

- (a) the period of six (6) years from the date on which it ceased to be a Member; or
- (b) the period during which any disciplinary proceedings continue against the Member, being proceedings started by the DDE no later than twelve (12) months after the date on which it ceased to be a Member, subject to any extension of the period under Article 17.6.

For the avoidance of doubt, this includes, inter alia, those By-Laws relating to the retention of records (including Dealings) and provision of information, in respect of acts and omissions whilst a Member and in respect of any investigation or disciplinary proceedings relating thereto (including the payment of any fine or application of any other penalties imposed).

17.5 Disciplinary proceedings following a Member's resignation may be started by giving notice to the former Member of an investigation no later than twelve (12) months after the date on which it ceased to be a Member.

17.6 In the event that the Secretary concludes that there are, or may be additional matters which should be investigated and in respect of which disciplinary proceedings may be taken, the period referred to in Article 17.4 shall be extended until such time as such additional disciplinary proceedings are completed (including the payment of any fine or application of any other penalties imposed).

17.7 A Member shall not be entitled to a refund of any Membership Fees or other fees paid in the event of withdrawal.

## **18 Maintenance of Records**

18.1 Every Member shall keep such records, with such content and in such form, as may be required to demonstrate compliance by the Member with the By-Laws.

18.2 In particular, Members shall keep written records of all Dealings in such form as the DDE may approve and such records shall include the following details:

- (a) name of the other party;
- (b) whether the Member has bought or sold;
- (c) quantity;
- (d) transaction price; and
- (e) date and time of transaction.

## **19 The DDE Dispute Resolution Committee**

19.1 The membership of the DDE Dispute Resolution Committee shall be comprised of three (3) individuals. A quorum for any decision to be made by the DDE Dispute Resolution Committee is three (3) individuals.

19.2 The Board shall, from time to time, make appointments to the DDE Dispute Resolution Committee for terms not exceeding twelve (12) months, renewable on an unlimited basis at the Board's sole discretion. Members of the DDE Dispute Resolution Committee may be Board Representatives or other individuals.

19.3 A member of the DDE Dispute Resolution Committee may be removed from that position by the Board from time to time at the Board's sole discretion.

19.4 The Board shall appoint one (1) member of the DDE Dispute Resolution Committee to be chair of the DDE Dispute Resolution Committee.

19.5 The DDE Dispute Resolution Committee shall be responsible for creating and maintaining the WFDB International Advisers Panel.

### ***Conflicts of Interest***

19.6 No member of the DDE Dispute Resolution Committee shall participate in any matter that is before the committee if they have a material direct or indirect interest in the matter under consideration (**Conflict of Interest**).

19.7 Each member of the DDE Dispute Resolution Committee shall be under a continuing duty to disclose any actual or potential Conflict of Interest to the other members of the DDE Dispute Resolution Committee and to the Board.

19.8 If one or more member(s) of the DDE Dispute Resolution Committee are required to recuse themselves in respect of a particular matter as a result of a Conflict of Interest, the Board shall

appoint one or more temporary replacement members as necessary to maintain a quorum. Such temporary appointment(s) shall terminate automatically upon conclusion of that matter.

## **20 Disciplinary Proceedings**

### ***Act of Misconduct***

20.1 For the purposes of these By-Laws, an **Act of Misconduct** is any one or more of the following:

- (a) a failure to pay on time any amounts due and payable to its creditors;
- (b) a failure to pay on time any amounts due and payable to the DDE;
- (c) a breach of AML Laws and/or AML Procedures;
- (d) a breach of these By-Laws or any rules, regulations or the DDE Code of Business Conduct as issued by the Board from time to time;
- (e) a failure to comply with the policies and procedures mandated by international diamond industry associations (including but not limited to the Kimberley Process, the WFDB and the WDC SoW, and any other Affiliated Industry Body);
- (f) a failure to meet business obligations;
- (g) any form of insolvency proceedings;
- (h) a failure to comply with any decision of the DDE Dispute Resolution Committee;
- (i) behaving in a manner that, in the reasonable opinion of the DDE Dispute Resolution Committee, has jeopardised or may jeopardise the reputation of the DDE; or
- (j) failure to comply with any legal, regulatory and compliance requirements, including but not limited to requests for provision of data and know your client related documentation.

### ***Investigation***

20.2 The Secretary may conduct an investigation into any suspected or alleged Act(s) of Misconduct.

20.3 Members shall cooperate fully with any such investigation.

### ***Institution of Proceedings***

20.4 The Secretary may commence disciplinary proceedings against any Member in respect of any suspected or alleged Act of Misconduct.

### ***Disciplinary Proceedings***

20.5 Where the Secretary decides to start disciplinary proceedings against a Member, they shall issue or cause to be issued a notice setting out the suspected or alleged Act of Misconduct, together with a summary of relevant facts (**Disciplinary Notice**).

20.6 The Secretary shall provide a copy of the Disciplinary Notice to the DDE Dispute Resolution Committee as soon as reasonably practicable after that Disciplinary Notice is issued to the Member.

***Response***

- 20.7 The Member has ten (10) Business Days from the date of receipt of a Disciplinary Notice (as deemed pursuant to Article 25) in which to provide to the Secretary a written response (**Response**) to the Disciplinary Notice.
- 20.8 If a Member does not provide a Response, and if no settlement has been reached in accordance with Article 20.21, the Member shall be deemed to have accepted the facts and matters set out in the Disciplinary Notice.
- 20.9 Any Response shall be provided to the DDE Dispute Resolution Committee as soon as reasonably practicable after its receipt by the Secretary.
- 20.10 Having seen and considered the Response, the DDE Dispute Resolution Committee may decide to discontinue disciplinary proceedings without any further steps being taken.

***Disciplinary Hearings***

- 20.11 If the DDE Dispute Resolution Committee considers it necessary, or if the Member requests in its Response, a hearing shall take place within thirty (30) Business Days of receipt by the DDE Dispute Resolution Committee of the Response, or on such later date as the DDE Dispute Resolution Committee shall determine.
- 20.12 The Member concerned shall be given reasonable notice of the place, time and venue of any hearing.
- 20.13 The DDE Dispute Resolution Committee shall have complete discretion to determine the rules of evidence and the procedure to be followed in respect of any hearings. At minimum, however, the Member shall be given a full and fair opportunity to be heard.
- 20.14 A hearing may proceed, and the DDE Dispute Resolution Committee may proceed, to issue a Determination (as defined in Article 20.15 below), even if the Member does not attend.

***The Determination***

- 20.15 The DDE Dispute Resolution Committee shall notify the Member and the Secretary in writing of its findings (**Determination**) as soon as reasonably practicable.
- 20.16 Where the DDE Dispute Resolution Committee is satisfied, on the balance of probabilities, that the Member concerned has committed one or more Acts of Misconduct, it shall provide the Member and the Secretary a reasonable opportunity to make written statements as to which (if any) of the penalties set out at Article 20.19 below (**Penalties**) should be imposed.
- 20.17 The DDE Dispute Resolution Committee shall notify the Member concerned and the Secretary in writing of its decision as to what Penalties are to be imposed (if any) (**Penalties Decision**) as soon as reasonably practicable after issuing its Determination.

***Penalties and Costs***

- 20.18 Unless the DDE Dispute Resolution Committee provides otherwise any Penalties imposed on a Member shall take effect on the date of issue of the Penalties Decision.

- 20.19 The DDE Dispute Resolution Committee may impose one or more of the following Penalties upon a Member:
- (a) carry out a mandatory instruction such as a letter of apology or return of property;
  - (b) a fine payable to the DDE;
  - (c) a fine payable to a complainant or another third party;
  - (d) suspension of Membership for a specified period;
  - (e) termination of Membership; and/or
  - (f) a recommendation to the WFDB that the Member be banned from all other bourses affiliated to the WFDB.
- 20.20 In addition to any Penalties that may be imposed, the Member is obliged to pay any costs (together with interest at the rate of nine per cent. (9%) per annum on a simple basis) as the DDE Dispute Resolution Committee considers appropriate.

### ***Settlement***

- 20.21 The Secretary and the Member may agree a settlement at any time from the issuance of the Disciplinary Notice.

## **21 Dispute Resolution Procedures**

- 21.1 All Disputes involving Members must be resolved in accordance with the requirements of this Article 21.
- 21.2 If a Dispute arises, any Member must notify the Secretary of the complaint by sending an email to [Dispute.DDE@dmcc.ae](mailto:Dispute.DDE@dmcc.ae) or such other email address that may be listed for this purpose on the DDE website (**Notification of Dispute**).
- 21.3 A Notification of Dispute shall:
- (a) provide full details of all parties to the Dispute;
  - (b) set out the summary of facts relating to the Dispute;
  - (c) attach any relevant supporting documents;
  - (d) state clearly what the Complainant is seeking by way of remedy; and
  - (e) state clearly whether the Complainant:
    - (i) desires that the parties to the Dispute seek Mediation;
    - (ii) desires to commence Arbitration; and/or
    - (iii) requests that the Secretary carry out an investigation pursuant to Article 20.2.
- 21.4 The Secretary shall provide the Notification of Dispute to the DDE Dispute Resolution Committee as soon as reasonable practicable after receipt.

***Investigations***

- 21.5 A request by a Complainant that the Secretary carry out an investigation pursuant to Article 20.2 does not prevent that Complainant from also stating a desire to seek Mediation or a desire to commence Arbitration in respect of the same matters, whether in the same Notification of Dispute or in a separate Notification of Dispute.
- 21.6 The Secretary may carry out an investigation pursuant to Article 20.2 based on matters raised in a Notification of Dispute, irrespective of whether the Complainant has requested one.
- 21.7 Where the Secretary believes that an Arbitration is or may be underway in respect of any matter, the Secretary may decide not to carry out or to complete any investigation until the outcome of the Arbitration is known.

***Mediation***

- 21.8 Where a Complainant desires to start Mediation, the DDE Dispute Resolution Committee shall ordinarily direct that the relevant Member(s) conduct a Mediation.
- 21.9 Where the DDE Dispute Resolution Committee is of the opinion that there are no reasonable prospects of a Mediation leading to a settlement of all or any part of a Dispute, it may advise the Complainant that a Mediation should not take place. In those circumstances, the Complainant may commence Arbitration.
- 21.10 If a:
- (a) Mediation is not resolved; or
  - (b) Member who is party to a Mediation issues a notice in accordance with Article 25 to the Complainant and/or the DDE Dispute Resolution Committee advising of its refusal to participate in any Mediation,

within forty-five (45) Business Days of receipt of the Request for Mediation (as defined in the Mediation Rules) the Mediation will terminate and the Complainant may commence Arbitration.

***Arbitration***

- 21.11 Where a Notification of Dispute provides that the Complainant desires to commence Arbitration, the DDE Dispute Resolution Committee shall decide whether that Dispute (or any part of it) should first be the subject of Mediation. The DDE Dispute Resolution Committee shall direct that a Dispute (or part of a Dispute) must first be the subject of a Mediation, to be conducted in accordance with the Mediation Rules, where it appears to the DDE Dispute Resolution Committee that there is a realistic prospect that the Dispute (or part of the Dispute) can finally be settled by Mediation. Otherwise, the DDE Dispute Resolution Committee shall direct that the Dispute may be referred to Arbitration pursuant to Articles 21.13 to 21.16 below.
- 21.12 If the DDE Dispute Resolution Committee directs that a Dispute is first to be referred to Mediation, a Complainant may only commence Arbitration in respect of that Dispute in accordance with Article 21.10.
- 21.13 Disputes that may be referred to Arbitration shall be finally resolved by Arbitration:

- (a) for Local Disputes – under the arbitration rules of the London Court of International Arbitration, which rules are deemed to be incorporated by reference into this Article; and
- (b) for International Disputes – under the WFDB By-Laws, which rules are deemed to be incorporated by reference into this Article.

21.14 For Local Disputes:

- (a) the number of arbitrators shall be one (1);
- (b) the seat, or legal place, of arbitration shall be the Dubai International Financial Centre, Dubai, UAE;
- (c) the language to be used in the arbitration shall be English; and
- (d) the governing law shall be the substantive law of the Dubai International Financial Centre.

21.15 A copy of any arbitration award(s) received by a Member pursuant to an arbitration conducted pursuant to these By-Laws shall be provided to the Secretary.

21.16 The Secretary shall keep any arbitration award received from a Member confidential, save that any arbitration award to which a Member is a party may be provided by to the DDE Dispute Resolution Committee, which may take that award into account as part of any disciplinary proceeding involving that Member.

***Directions of the DDE Dispute Resolution Committee***

21.17 All directions of the DDE Dispute Resolution Committee pursuant to Articles 21.7, 21.8, 21.9, 21.10, and 21.11 are to be issued in writing and are binding upon the Member(s) to which they are addressed.

**22 Jurisdiction**

22.1 All Disputes must be resolved in accordance with these By-Laws. Any Member who commences legal proceedings in another forum against another Member concerning a Dispute shall be liable to disciplinary action in accordance with Article 20.

**23 Intellectual Property Rights**

23.1 All rights, title, interest and Intellectual Property Rights in the By-Laws shall be the property of the DMCC. To the extent a Member acquires any rights, title, interest or Intellectual Property Rights in the same it hereby assigns all such rights, title, interest and Intellectual Property Rights (including by way of a present assignment of any future copyright or similar rights) to the DMCC for the full duration of such rights, title, interest and Intellectual Property Rights.

23.2 The DMCC hereby expressly reserves any and all rights (including Intellectual Property Rights and any rights of confidentiality), licences and permissions in and to the Trade Marks.



**24 Confidentiality**

24.1 Subject to Article 24.2, the DDE shall treat as confidential all information received from a Member that concerns the business and affairs of a Member.

24.2 Article 24.1 shall not prohibit disclosure or use of any information which would otherwise be treated as confidential if and to the extent:

- (a) the disclosure or use is required by the law of any relevant jurisdiction;
- (b) the disclosure or use is required for the purpose of any judicial proceedings arising out of these By-Laws or in connection with a Member's Membership;
- (c) the disclosure or use is required by any regulatory body to which the DDE or a Member is subject;
- (d) the disclosure or use is required by any securities exchange on which the shares or other securities of a Member or its holding company is listed or traded;
- (e) the disclosure is made on a strictly confidential basis to the professional advisers of the DDE;
- (f) the disclosure is made to the Member itself;
- (g) the information has become publicly available through no fault of the DDE or where the DDE acquires or develops the information independently of any information or document provided by the Member;
- (h) a Member has given prior written approval to the disclosure or use by the DDE;
- (i) the disclosure is made to the DMCCA or any other member of DDE's group, or to any employees, officers, consultants or agents of the DDE or the DMCC;
- (j) the disclosure is made to the DDE's insurer(s), provided that any such insurer has entered into a confidentiality undertaking with respect thereto; or
- (k) where the DDE considers it appropriate to disclose such information for the purpose of discharging the DDE's obligations under the By-Laws having due regard to the confidential nature of the information, and taking reasonable care to ensure that the recipient of such information is aware of its confidential nature,

and for the avoidance of doubt, nothing in this Article 24.2 shall prevent the DDE from providing data in respect of a Member to any third party where and to the extent that any such data is anonymised and/or aggregated with data in respect of other Members.

24.3 Subject to Article 24.4, each Member shall treat as confidential all information concerning the business and affairs of the DDE.

24.4 Article 24.3 shall not prohibit disclosure or use of any information which would otherwise be treated as confidential if and to the extent:

- (a) the disclosure or use is required by the law of any relevant jurisdiction;

- (b) the disclosure or use is required by any regulatory body to which the Member is subject;
- (c) the disclosure or use is required by any securities exchange on which the shares or other securities of a Member or its holding company is listed or traded;
- (d) the disclosure is made to the DDE itself;
- (e) the information has become publicly available through no fault of the Member or where the Member acquires or develops the information independently of any information or document provided by the DDE;
- (f) the DDE has given prior written approval to the disclosure or use by the Member;
- (g) the disclosure is to any other member of the Member's group, or to any employees, officers, consultants or agents of the Member;
- (h) where the Member considers it appropriate to disclose such information for the purpose of discharging its obligations under the By-Laws having due regard to the confidential nature of the information, and taking reasonable care to ensure that the recipient of such information is aware of its confidential nature;

## 25 Notices

25.1 A notice given under or in connection with these By-Laws:

- (a) shall be in writing and in English;
- (b) shall be signed by or on behalf of the party giving it;
- (c) shall be sent by a method listed below; and
- (d) unless proved otherwise, is deemed received as set out in this Article 25.

25.2 The table below sets out:

- (a) the permitted delivery methods for sending a notice to a party under these By-Laws; and
- (b) for each permitted delivery method, the corresponding delivery date and time when the notice is deemed to have been received provided that all other requirements in this Article 25 have been satisfied:

<b>Delivery Method</b>	<b>Date and Time of Deemed Receipt</b>
Delivery by hand	On signature of a delivery receipt
Delivery by courier	The time shown on the courier's delivery receipt
Email	If transmitted on a Business Day before 5:00pm (UAE time) according to the time shown on the sender's server, on that day, or in any other case on the next Business Day after the day on which it is transmitted

**26 Amendments**

These By-Laws may be amended at any time at the sole discretion of the Board acting by Board Reserved Matter. Any amendments to the By-Laws shall be published on the website of the DDE promptly following approval of the amendments by the Board and shall be binding on all Members.

**27 Dissolution**

The DDE may be dissolved by the Board. Such decision shall be a Board Reserved Matter.

**28 Inconsistency**

To the extent of any inconsistency between these By-Laws and the WFDB By-Laws, the WFDB By-Laws shall prevail.

**29 Prohibited Practices**

29.1 No person, including a Board Representative, employee or officer of the DDE, the DMCC, Applicant or a Member, shall engage in any Prohibited Practices at any time.

**30 Emergencies**

30.1 The DDE may, in its absolute discretion, suspend the use of Premises and any Dealings being conducted on Premises if it becomes aware of or anticipates that an undesirable situation or improper trading practice has affected or is likely to affect the market. The DDE shall take any such steps as it deems necessary to rectify or contain the situation and has the right to direct Members to take such action as they require necessary.

30.2 Any decision of the DDE taken in accordance with Article 30.1 shall be published in writing and promptly notified to the Members. Such decision shall be binding on all Members and shall be effective from the date of publication.

30.3 The DDE has the right to suspend or terminate a Member's Membership if it fails to comply with a direction or instruction published by the DDE in accordance with Article 30.2.

**31 Liability**

The DDE, the DMCCA, any Board Representative, the Secretary, any other officers or any of the DDE or DMCCA's employees or any member of any committee shall not, except in the case of fraud or wilful default, be liable whether in contract, in tort (including but not limited to negligence), or under any other theory of law to any Member or other person in respect of the matters set out or referred to in these By-Laws.

**Schedule 1– Mediation Rules****1 Introductory Provisions and Definitions**

1.1 These Mediation Rules (the **Rules**) shall apply to all mediations administered by the DDE pursuant to the By-Laws.

1.2 Unless otherwise defined in these Rules, capitalised terms shall have the meaning given to them in the By-Laws.

1.3 In these Rules, except where the context otherwise indicates, the following words, phrases and expressions shall have the following meaning:

**Additional Mediator Time** means any time spent by the Mediator in excess of the time allocated for the Mediation, as set out in the Fee Schedule

**By-Laws** means the "By-Laws of the Dubai Diamond Exchange"

**Filing Fee** means the initial non-refundable fee payable to the DDE by the Requesting Party upon filing a Request (as defined in Article 2 of these Rules) as published by the DDE from time to time

**Fees** means the fees for the Mediation as set out in the Fee Schedule and shall include the Filing Fee, Mediation Fee, Mediator's Fees and Additional Mediator Time

**Fee Schedule** means the schedule of Fees published by the DDE from time to time

**Mediation** means any mediation conducted under the auspices of the DDE

**Mediation Fee** means the fee payable to the DDE in order for a Mediation to proceed as published by the DDE from time to time

**Mediation Meeting** means a meeting between the Parties and the Mediator for the purpose of resolving a dispute which is the subject of a Mediation

**Mediator** means any person who is appointed and acts a mediator in any Mediation

**Mediator Code of Conduct** means the code of conduct annexed to these Rules

**Mediator's Fees** means the fee payable to the Mediator appointed by the DDE, as published by the DDE from time to time

**New Mediator** has the meaning set out in Article 8.3 of these Rules

**Original Mediator** has the meaning set out in Article 8.3 of these Rules

**Parties** means the Requesting Party and any counterparty to the dispute

**Party** means either the Requesting Party and any counterparty to the dispute

**Request for Mediation** has the meaning set out in Article 2.1 of these Rules and

**Requesting Party** means the Party who make the first Request for Mediation in respect of the dispute between the Parties

## **2 Commencement of the Mediation**

- 2.1 Any Party who wishes to commence a Mediation under these Rules shall submit a written request for mediation in the form prescribed by the DDE from time to time (**Request for Mediation**), together with the non-refundable Filing Fee, without which the Request for Mediation shall not be registered and the Mediation shall not proceed.
- 2.2 The Request for Mediation shall set out the nature of the dispute, the value of the claim(s) and the contact details of the Parties to the Mediation.

## **3 Appointment of the Mediator**

- 3.1 The DDE shall appoint the Mediator unless otherwise agreed in writing between the Parties and the DDE. Additional Fees will apply if the Parties elect to appoint their own Mediator.
- 3.2 A person selected as Mediator will disclose to the DDE any circumstances which may create an impression of bias in favour of one Party over another Party. Upon receipt of such disclosure, the DDE will appoint another person as the Mediator.

## **4 Administration of the Mediation**

- 4.1 The DDE shall make the necessary arrangements for the Mediation, including:
- (a) appointing the Mediator;
  - (b) organising a venue and assigning a date for the Mediation; and
  - (c) providing general administrative support.

## **5 Position Statements by the Parties**

- 5.1 In addition to the Request for Mediation made by the Requesting Party, the Parties shall submit to the Mediator and the DDE no later than five (5) Business Days before the first scheduled Mediation Meeting, a brief written statement summarising their case, the background to the dispute, and the issues to be resolved (the **Position Statement**). The Position Statement shall be accompanied by copies of any documents to which it refers.
- 5.2 Each Party shall, at the same time, submit a copy of the Position Statement and any supporting documents to the other Party or Parties.

## **6 Role of the Mediator**

- 6.1 The Mediator shall promote the settlement of the issues in dispute between the Parties with reasonable care and skill and in a manner which is consistent with mediation best practice.
- 6.2 The Mediator shall have no authority to give advice to, or impose a settlement upon, the Parties.
- 6.3 The Mediator shall abide by the Mediator Code of Conduct at all times.
- 6.4 Subject to the terms of this Article 6, the Mediator shall conduct the Mediation in the manner they see fit, bearing in mind at all times the circumstances of the case and the wishes of the Parties.

## **7 Conduct of the Mediation**

- 7.1 Each Party shall notify the other Party, the Mediator and the DDE of the number and identify of those persons who will attend any Mediation Meeting. Such notification must take place within the timeframe communicated by the DDE to the Parties.
- 7.2 Nothing which is communicated to the Mediator in private during the course of the Mediation shall be disclosed to the other Party or Parties without the express consent of the Party making the communication.
- 7.3 All Parties shall act in good faith during the course of the Mediation.
- 7.4 Unless otherwise agreed by the Parties, the Mediator will decide the language(s) in which the Mediation will be conducted.

## **8 Conflicts of Interest**

- 8.1 The Mediator will disclose to the Parties and the DDE any matter of which the Mediator is or at any time becomes aware which could be regarded as being or creating a conflict of interest (whether apparent, potential or real) in relation to the dispute or any of the Parties involved in the Mediation.
- 8.2 In these circumstances, the Mediator:
- (a) may continue to act provided the Parties and the DDE provide consent to the same; or
  - (b) cease to act at the request of either:
    - (i) the DDE; and/or
    - (ii) one or more of the Parties.
- 8.3 Should the Mediator cease to act, the DDE will appoint a new mediator (**New Mediator**) and the original mediator (**Original Mediator**) will forfeit the entirety of the Mediator's Fee to which they may otherwise have been entitled (regardless of how much time has already been incurred by the Original Mediator in respect of the Mediation).

## **9 Termination of the Mediation**

- 9.1 A Mediation commenced pursuant to these Rules shall terminate when either:
- (a) a settlement agreement is signed by the Parties;
  - (b) the Parties advise the Mediator that it is their view that a settlement cannot be reached and it is their wish to terminate the Mediation; or
  - (c) the Mediator advises the parties that, in their judgment, the mediation process will not resolve the issues in dispute.

## **10 Settlement Agreement**

- 10.1 If terms are agreed in settlement of the dispute, the Parties shall be responsible for drawing up and signing a settlement agreement, setting out such terms.

- 10.2 Neither the DDE nor the Mediator shall be responsible for the drafting, reviewing or enforcing the terms of any settlement agreement.
- 10.3 By signing the settlement agreement, the Parties agree to be bound by its terms.
- 10.4 Unless the Parties agree otherwise, the settlement agreement may be signed electronically and/or in counterparts and assembled into a single instrument.

## **11 Fees and Costs**

- 11.1 The Fees shall include the Mediator's fees and expenses, time reserved but not used (if any), and the administrative charges and expenses of the DDE, as set out in the Fee Schedule.
- 11.2 The Requesting Party shall pay the DDE a non-refundable Filing Fee (without which the Request shall not be registered).
- 11.3 Following registration of the Request and the payment of the Filing Fee, the DDE shall then request the Parties to pay the Mediation Fee in order for the Mediation to proceed. The Mediation Fee shall be paid by the Parties in equal shares or in such other proportions as they have agreed in writing.
- 11.4 A Mediator shall not be appointed and the Mediation shall not proceed unless and until the Mediation Fee has been paid in full. If the Mediation does not proceed after the Mediation Fee has been paid, the Mediation Fee will be refunded to the parties (subject to any deduction on account of the DDE's administrative charges and expenses).
- 11.5 All other costs incurred by the Parties, including legal fees, will not form part of the Filing Fee or the Mediation Fee for the purposes of these Rules.
- 11.6 The Parties are solely responsible for any Additional Mediator Time in equal shares unless otherwise agreed between the Parties in writing. The Mediator shall invoice the Parties via the DDE setting out the Additional Mediator Time incurred. The Parties are responsible for payment of the Additional Mediator Time within the timescales set out in the Mediator's invoice. The DDE accepts no liability for payment of any Additional Mediator Time to the Mediator.

## **12 Privacy**

- 12.1 All Mediations Meetings shall be conducted in private, and shall be attended only by the Mediator, the Parties and any other individuals(s) identified pursuant to Article 7 of these Rules.
- 12.2 No recording of any kind shall be made of any meetings of the Parties with the Mediator.

## **13 Confidentiality**

- 13.1 Each of the Parties, and any person acting on behalf of a Party:
- (a) shall, unless agreed otherwise in writing by the Parties, keep confidential all information arising out of or in connection with the Mediation, including the terms of any settlement, but excluding the fact that the Mediation has or will take place; and
  - (b) acknowledges that all information passing between the Parties, the Mediator and the DDE, however communicated, is confidential and may not be produced as evidence or

disclosed to any judge, arbitrator or other decision-maker in any legal or other formal process.

- 13.2 Where a Party discloses to the Mediator or the DDE any information at any stage of the Mediation, the Parties acknowledge and agree that neither the Mediator nor the DDE will disclose that information to any other party or person without the consent of the Party disclosing it.
- 13.3 Articles 13.1 and 13.2 do not apply where disclosure is required:
- (a) by any order or direction of any court of competent jurisdiction or any competent judicial, governmental, regulatory or supervisory body;
  - (b) in order to implement or to enforce the terms of any settlement reached between the Parties;
  - (c) to notify a Party's insurers, insurance brokers, accountants, or legal representatives; or
  - (d) by applicable laws or regulations.

#### **14 Court or Arbitral Proceedings**

- 14.1 Unless the Parties have agreed otherwise, and notwithstanding the Mediation, the Parties may initiate or continue any court or arbitral proceedings in respect of the dispute which is the subject of the Mediation.

#### **15 Limit of Liability**

- 15.1 Neither the DDE (including its officers, and employees) or any Mediator shall be liable to the Parties, either jointly or severally, howsoever for any act or omission in connection with any Mediation conducted by reference to these Rules, unless the act or omission is proved to have been fraudulent or involved wilful misconduct.
- 15.2 After the Mediation has concluded, neither the DDE (including its officers and employees) or any Mediator shall be under any legal obligation to make any statement to any person about any matter concerning the mediation; nor shall any Party seek to make these bodies or persons a witness in any legal or other proceeding arising out of the mediation.
- 15.3 Any Party agreeing to a mediation under or in accordance with these Rules irrevocably agrees that the courts of the Dubai International Financial Centre shall have exclusive jurisdiction to hear and decide any action, suit or proceedings between that party and the DDE and/or any Mediation which may arise out of or in connection with any such Mediation and, for these purposes, each Party irrevocably submits to the jurisdiction of the courts of the Dubai International Financial Centre.

#### **16 Breach of these Rules**

- 16.1 The DDE reserves the right in its sole discretion to end a Mediation in respect of which any Party or Mediator is found to be in breach of these Rules or the Mediator Code of Conduct.



## ANNEXURE 1 – MEDIATOR CODE OF CONDUCT

### 1 Introductory Provisions and Definitions

1.1 This Code of Conduct (the **Code**) applies to any person who acts as a Mediator in any Mediation in relation to an attempt to resolve a dispute or difference (the **Dispute**) between all the parties (the **Parties**) to the Dispute.

1.2 In this Code the following words, phrases and expressions shall have the following meaning:

**DDE** means the Dubai Diamond Exchange;

**Mediation** means any mediation conducted under the auspices of the DDE;

**Mediator** means any person who is appointed and acts as a mediator in any Mediation; and

**Rules** means the Mediation Rules of the DDE (as amended from time to time).

### 2 Competence and Availability

2.1 The Mediator shall:

- (a) satisfy themselves that they possess the necessary competence and knowledge to deal with the Dispute;
- (b) exercise reasonable care and skill when dealing with the Dispute;
- (c) ensure that they have sufficient time to prepare properly for and conduct the Mediation expeditiously and efficiently, and in accordance with the preparatory time allocated to the Mediation;
- (d) act in accordance with the Rules; and
- (e) uphold the reputation of the DDE at all times.

### 3 Independence and Neutrality

3.1 The Mediator will at all times act, and endeavour to be seen to act, fairly, independently and with complete impartiality towards the Parties in the Mediation, without any bias in favour of, or discrimination against, any of the Parties.

### 4 Withdrawal

4.1 The Mediator shall cease to act as the Mediator in relation to the Dispute and shall withdraw from the Mediation (and immediately notify the DDE of their withdrawal) if the Mediator:

- (a) is requested to do so by the DDE;
- (b) would be in breach of this Code if continuing to act as the Mediator;
- (c) would be in breach of the Rules if continuing to act as the Mediator; or
- (d) is required by one or more of the Parties to act or refrain from acting in a way which would be in breach of this Code, the Rules or in breach of the law.

- 4.2 The Mediator may (after consultation with the DDE) cease to act as the Mediator in relation to the Dispute and withdraw from the Mediation (and immediately notify the DDE of their withdrawal) if:
- (a) any of the Parties materially breaches the Rules; or
  - (b) any of the Parties is acting in an unconscionable or criminal matter.

## FEE SCHEDULE

### TYPES OF MEDIATION

Type of Mediation	Value of claim(s)	Inclusions
Tier 1		
Tier 2		
Tier 3		

### FEES

Type of Mediation	Filing Fee (AED)	Mediation Fee (AED)	Additional Mediator Time (per hour) AED
Tier 1			
Tier 2			
Tier 3			

**Fee for Parties appointing own Mediator: [XXX] AED**